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November 26, 2012

VIA ELECTRONIC FILING

Jocelyn G. Boyd, Esquire
Chief Clerk & Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

Re: Application of Duke Energy Carolinas, LLC for Authority to Adjust and Increase Its Electric Rates and Charges - Request to Terminate the Rider for Residential, General Service and Lighting
Docket No. 2009-226-E

Dear Ms. Boyd:

The South Carolina Office of Regulatory Staff ("ORS") has reviewed the filing in the above-referenced Docket, discussed this matter with Duke Energy Carolinas, LLC ("Company") representatives and has no objection to the Company's Request to terminate the demand side management ("DSM") decrement rider ("Rider") originally implemented pursuant to a settlement agreement in Docket No. 2009-226-E.

Under the terms of the Settlement Agreement, the Company agreed to the establishment of the Rider to return to customers an over collection of DSM funds from the DSM deferral account balance ("DSM Balance") in the amount of approximately \$43.5 million a year until the DSM Balance was exhausted. The Company has stated that any balances remaining when the Rider terminates will be handled through the Company's 2013 fuel proceeding. ORS has reviewed the Company's projections for the remaining DSM Balance and finds the method outlined in the Company's request to be reasonable.

Thank you for the opportunity to provide comments in this matter.

Sincerely,

John W. Flitter

JWF/swb

cc: Dan F. Arnett, Chief of Staff, SC ORS
Shannon Bowyer Hudson, Attorney, SC ORS
Courtney D. Edwards, Attorney, SC ORS
Timika Shafeek-Horton, Counsel, Progress Energy Carolinas, Inc.
Dr. James Spearman, Executive Assistant to SCPSC
Other parties of record